

Finance Committee Meeting

April 4, 2018 7:30 PM EST
Veterans Memorial Building, Room 229
900 Main Street
Millis, MA 02054

In Attendance:

Craig Schultze, Chairman
Jodie Garzon, Vice Chairman
Tayana Antin
Peter Jurmain
Jerry Nunnaley
Mike Giampietro, Building/Inspections
Mike Guzinski, Town Administrator
Hannah York, CPA, CGA, Consulting Manager, ClintonLawsonAllen, LLP

Craig Schultze called the meeting to order at 7:31 PM

FY19 Building/Inspections Budget Review and Discussion:

Mike Giampietro:

The department would like to request a reorganization to prepare for the influx of building permits expected next year. Specifically, the Regency at Glen Ellen on Orchard Street. The reorganization includes 12 additional clerical hours, from 24 hours per week to 36, in the amount of \$11,309.00 and hiring a 25 hour per week Assistant Building Inspector in the amount of \$39,000.00. The request would also require both the Electrical and Plumbing Inspectors to provide office hours during the day, Tuesday, Wednesday and Thursdays from 8:30 AM – 10:00 AM. The additional hours would be compensated with a \$15,000.00 annual stipend for each inspector. The current inspection fee structure for electrical permits is based on ½ of the permit fee. The department would like to transition to a fee per inspection program. The inspectors would be compensated between \$30.00 - \$40.00 per inspection. The number of inspections and their compensation would be better documented with the new structure. The anticipated revenue includes the typical annual revenue of \$175,000.00 plus permits for 50 units at Regency at Glen Ellen. Each unit would generate a \$2,000.00 building permit fee. The assisted living project should begin in late summer. The project's building permit is expected to be \$600,000.00 based on the buildings assessed value, \$20.00 per thousand.

The committee agreed to hold off on adding the additional clerical hours until the permits start flowing into the office on a regular basis. The anticipated revenues are pure speculation. The funds will be earmarked at Town Meeting and the Town Administrator and Board of Selectmen will determine when or if the hours should be increased. The committee agreed with the new inspection fee structure and its tracking and accountability makes sense.

FY19 Projected Revenues and Operating Budget Review and Discussion:

Hannah York:

The projected revenues include increases to building permits, including electrical, plumbing, gas and street/trench opening. Increased revenues for ambulance receipts are expected due to the implementation of the ALS (Advanced Life Support) program. A one-time release from the Overlay Reserve Account in the amount of \$64,173.00 and \$344,176.00 in Free Cash were reflected in the Available Funds total of \$1,291,928.00.

The following Operating Budget Line Items were highlighted:

- Selectmen/Town Administrator – Additional line item for Professional Consulting in the amount of \$10,000.00.
- Legal Fees – Decreased by \$10,000.00 due to a new contract.
- Finance Director/Accounting – The budget is level funded for now.
- Assessors – Level funded other than contractual obligations
- Treasurer – Additional clerical salaries in the amount of \$6,271.00 for Stormwater Management billing and \$2,000.00 in anticipated overtime.
- Data Processing – The stipend total of \$16,415.00 is level funded and approximately \$13,000.00 was added for software maintenance.

- Town Clerk – A request in the amount of \$90,000.00 was made by the department to fund a full-time Elected Town Clerk. The request was not recommended by the Board of Selectmen. It was noted that the Town Clerk has filed a petitioned article requesting the position be changed to a salaried full-time position.
- Registrars – A line item for clerical wages in the amount of \$500.00 was added.
- Elections – Wages were increased by \$9,267.00 to cover the increase in elections for FY19.
- Finance Committee – the annual subscription fee to ClearGov.com in the amount of \$7,500.00 was added. The Reserve Fund was decreased by \$50,000.00 in part due to the new budget strategy the town has adopted as well as confirmation from Town Counsel that funds can be moved within budget line items prior to the end of the fiscal year depending on how they are voted at Town Meeting.
- Town Buildings – Five additional hours have been added to salaries which will eliminate the cost of contracted cleaning services. The installation of solar panels at the Library will result in lower electricity bills saving an estimated \$6,000.00 per year.
- Planning Board, Zoning Board of Appeals and Conservation Commission budgets are all level funded.
- Insurance – Increased by \$33,647.00 to cover anticipated increases to premiums
- Employee Benefits – Health Insurance was increased by approximately \$200,000.00. The Chairman requested a breakdown of Health Insurance cost between the School Department and the Municipal Employees and Retirees.
- Animal Control – Level funded other than contractual obligations. The committee asked for the percentage split between Millis and Medway.
- Schools – The Tri-County Assessment increased significantly for FY19. Offering an expanded program has increased attendance.
- Highway Division – Salaries and Expenses such as Catch Basin Cleaning have decreased due to the reallocation to the Stormwater Enterprise Fund. The Deputy Director will be reclassified to Director starting July 1, 2018; the reclassification includes a 15% increase in Department Head Salaries.
- Snow and Ice – The budget for FY19 is level funded. The FY18 deficit is approximately \$200,000.00. The hope is that Inter-Function Transfers at the end of the fiscal year will cover the deficit. If not, the deficit will be addressed in the Fall. Partial reimbursement for costs could be seen from FEMA/MEMA but that has not been determined yet. The statute that allows Snow & Ice budgets to run in a deficit does not allow the town to decrease the budget from prior fiscal years.
- Transfer Station – A decrease in the Fees/Tipping line item of \$10,000.00 was made after reviewing historical costs.
- Board of Health - Level funded other than contractual obligations.
- Council on Aging – Additional salaries in the amount of \$10,245.00 was added to fund extended hours on Wednesdays
- Veterans Services – Includes a slight increase.
- Library – Additional hours were added to include a Tech Coordinator in the amount of \$7,691.00. The hours will not require a new hire; they will be added to an existing qualified employee.
- Recreation – A request was made to fully fund the Director's salary in the amount of \$64,343.00. The FY19 budget is too tight to grant the request. An analysis and change to the department's Revolving Fund will require payment for Health Insurance from the fund.
- Debt and Interest – The new school project is currently bonded in Short Term Debt.
- Sewer Enterprise Fund – An Expense line item was added for Indirect Costs in the amount of \$197,539.00 which will be transferred to the General Fund. There will be a change to the Department Head's Salary reflecting the reclassification increase.
- Water Enterprise Fund - Akin to the Sewer Enterprise Fund, \$241,436.00 in Indirect Costs will be transferred to the General Fund and an increase in Department Head salaries will be adjusted.
- Stormwater Enterprise Fund – Working with Kleinfelder, the total budget is \$600,000.00 of which \$129,272.00 will be transferred to the General Fund for Indirect Costs and \$155,988.00 will be allocated for Capital Reserves. The indirect percentage is 1/3 of the combined Water and Sewer percentage. This fund helped balance the overall Operating Budget otherwise cuts would have been necessary.

The Board of Selectmen will have a final decision on the reorganization of the Building/Inspection's department by April 25, 2018.

Warrant Article Review and Discussion:

Mike Guzinski:

Article #1 Unpaid Bills is a typical Warrant Article at Town Meeting. To date there is a total of \$135.00 in unpaid bills from prior fiscal years.

Article #2 FY18 Additional Wages and Expenses – This article will fund deficits in the operating budget for FY18.

Article #3 SEIU 888 is a place holder for anticipated contract ratification

Article #4 Firefighters Local 4704 is a place holder for anticipated contract ratification

Article #5 FY19 Operating Budget funds the town's budget.

Article #6 Sewer Enterprise Fund

Article #7 Water Enterprise Fund

Article #8 Amendments to the Personnel Plan include changes to the Building/Inspections fee structure, addition of a part time Building Inspector and reclassification of the Deputy Director of the Department of Public Works.

Article #9 Independent Audit in the amount of \$36,000.00, Article #10 Board of Health Appointing Authority and Article #11 Revolving Funds are standard articles every year.

Article #12 Capital Items funds several different items through borrowing in the amount of \$585,573.00. An additional \$11,000.00 may be added for IT/Data Processing Infrastructure.

Article #13, 14 and 15 were requested by the Community Preservation Committee, a representative from the committee will review each article at next week's meeting.

Article #16 Revaluation – The total of this article is \$5,000.00, it will fund the revaluation of personal property taxes.

Article #17 School Bus Lease – The total is \$87,000.00 and it will fund the school's bus leases.

Article #18 School Computer Lease – The total is \$69,900.00 and it will fund the school's computer leases.

Article #19 School Medicaid – The total is \$5,000.00 and will fund the school's Medicaid services.

Article #20 OPEB Funding – This article would fund the Other Post-Employment Benefits obligation.

Article #21 Stabilization Fund – This article will replenish the fund for monies used at the November Town Meeting in the amount of \$233,013.00.

Article #22 Reserve Fund – The Reserve Fund is part of the town's Operating Budget so this article can be removed from the Warrant. It should be placed on the November Town Meeting Warrant in the event the fund may be depleted.

Article #23 Capital Improvement Planning Committee By Law – This newly formed committee will review and make recommendation to the Board of Selectmen and Finance Committee the capital needs of the town.

There was some discussion on removing the word "Improvement" which could be misleading. The By Law does not limit the School Department's purchase of equipment, etc. over \$10,000.00; the school has liberty to expend funds as they see fit. The committee should be notified of unexpected items being purchased to keep their records up to date.

The capital items listed in Article #12 will be voted as one article:

Town Buildings HVAC for Gymnasium:	\$107,000.00
Fire ALS Equipment:	\$ 40,537.00
Fire ALS Medications and Equipment:	\$ 14,761.00
Fire Department Vehicle:	\$ 51,872.00
School Purchase School Bus:	\$ 45,000.00
School Auditorium Repairs:	\$ 90,000.00
School Varsity Baseball Field Repairs:	\$ 60,000.00
School Restroom Upgrade:	\$ 40,000.00
Town Fuel Dispense System:	\$ 50,000.00
DPW Excavator:	\$ 56,253.00
Council on Aging Community Room Upgrade:	\$ 15,100.00
Council on Aging Van:	\$ 15,000.00
Total:	<u>\$585,523.00</u>

If one or more items are not approved by the residents at Town Meeting, the borrowed funds cannot be used to fund a request not listed in the Warrant.

Article #24 DPW Director By Law – This article changes the by law's Section 27 title and replaces it with: DPW Management by Director of Public Works. It also deletes the first sentence and replaces it with: The Town Administrator shall appoint a Director of Public Works, who shall exercise and perform the duties of said office under the supervision and direction of the Town Administrator. The Director of Public Works shall be specially fitted by education, training and experience to perform the duties of said office, and may or may not be a resident of the town.

The article shifts the day to day operating responsibilities of the department from the Town Administrator to the current Deputy Director.

Article #25 Release of Drainage Easement at Acorn Street – This article will be deferred to James McKay for an explanation.

Article #26, 27 and 28 will be discussed by the Chairman of the Retail Marijuana Committee at next week's meeting.

Article #29 Site Evaluation and Preliminary Design of the Walnut Street Pump Station will be presented by James McKay at next week's meeting.

Article #30 Board of Selectmen Report – Unfunded Capital Project Requests – This article will list the items requested by various departments that were unable to be recommended due to lack of funds.

Article #31 Citizen's Petition: Town Clerk Stipend Increase/Full Time Elected Official: The committee has extended an invitation to the petitioner to attend next week's meeting.

The Board of Selectmen may add one or two more articles to the Warrant before it is finalized.

Chairman Craig Schultze expressed his appreciation of the presentation.

Old Business/New Business:

Jodie Garzon made a motion to recommend approval of payment to the Postmaster in the amount of \$606.45 for postage of the Finance Committee's Report to the residents; Peter Jurmain seconded. Vote: 5/0 motion carries unanimously.

Minutes Approval - Postponed

Adjourn:

Peter Jurmain made a motion to adjourn the meeting at 9:26 PM; Jodie Garzon seconded. Vote 5/0 motion carries unanimously.

Respectfully submitted,
Deirdre Gilmore